

Original Assessment Section of the Missouri State Tax Commission

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QUESTIONS?



Common Mission

 **Keeping Together is
Progress**

 **Working Together is
Success**

Missouri State Tax Commission (Commission)

- ▶ Taxation of Railroads
- ▶ Power of Original Assessment
 - Original Assessment Section performs the Market Valuation of All Centrally Assessed Companies
 - **Applicable to ALL Centrally Assessed Companies**
 - The Lien Date for the Tax Year is January 1
 - The Last Day of the Tax Year is December 31
 - Must submit an Aggregate Statement of Taxable Property that includes the Associated Schedules as well as a Contact Information Sheet
 - A contact email is required for Certification, Notification, and other Communications
 - 7-digit company account number as assigned by the Commission
 - A Surtax Levy (Varies by County) on Real Assessed Value, including Construction Work In Progress (CWIP): Real
 - Blind Pension Fund Tax Rate

- ▶ The Assessed Value of four types of Centrally Assessed Companies are certified by the Commission
 - 1. CARUC Centrally Assessed Railroad and Utility Companies
 - 2. CAOBA: Commercial Aircraft Owned by Airlines
 - 3. CAOBO: Commercial Aircraft Owned by Others
 - 4. PC: Private Car Companies
- ▶ Commission holds hearings in setting the value of each
- ▶ **There are NO Certifications to School Districts**

- ▶ 2014 Missouri Market Value of Centrally Assessed Companies: Over \$19 Billion
 - Determines the funds that the Original Assessment Section generates throughout Missouri

- ▶ The Original Assessment Section affects Missouri throughout all communities
- ▶ Community Expectations in 2011:
 - 522 School Districts
 - 388 School Districts-Cross Over County Boundaries
 - 2980 Taxing Jurisdictions Available with Authority to Levy an Ad Valorem Property Tax
 - 2882 Taxing Jurisdictions Implemented for the Distributable Assessed Value of Centrally Assessed Railroads and Utilities (CARUC) and Commercial Aircraft Owned by Airlines (CAOBA)
 - 114 Counties and St. Louis City

- ▶ Tax Situs
- ▶ “Taxing Jurisdictions by County” Spreadsheet [To navigate to this spreadsheet on the Commission’s website, www.stc.mo.gov, select either the "Railroads & Utilities" section or the “Clerks” section and then the “Certifications” link and under the “Taxing Jurisdictions by County” banner, select the EXCEL “Taxing Jurisdictions by County” spreadsheet link]
 - ▶ Worksheets are provided in County numerical order
 - ▶ At the end of each tax year, the Clerks and the Missouri State Auditor’s Office provide information to the Original Assessment Section so that the spreadsheet may be updated for the new tax year and posted by April 15

▶ Guidelines:

- Numerical sequence (not alphabetical) for the County number
 - Same as the County number sequence used by the Missouri State Auditor's Office
 - Not the same as other County numbering sequences used by other entities
 - Taxing Jurisdictions authorized to levy a tax even if the levy is zero dollars and cents
 - 9-digit tax code created by the Missouri State Auditor's Office
 - Taxing Jurisdictions voted in, enlarged, reduced, or dissolved for the current tax year are **Not reflected** in the "Taxing Jurisdictions by County" spreadsheet
- ▶ Ad Valorem Property Taxes (Ceiling and Levied Rates) in effect at tax year-end are identified by the Missouri State Auditor's Office in the report "Property Tax Rates" for the respective tax year
{<http://www.auditor.mo.gov/AuditReports/AudRpt2.aspx?id=31>}

- ▶ Taxing Jurisdictions with a tax rate for unique geographical boundaries different from the district's geographical boundary
 - For Example: When a Township Road does not cover the entire geographical area of a Township, the Township Road is entered as a Road Taxing Jurisdiction
 - For Example: When a Municipal Library does not expand with the Municipality in a County with a County Library, the Municipal Library is entered as a Special Taxing Jurisdiction

- ▶ Special Road Districts not authorized to levy a tax are processed by the County, as necessary
- ▶ “Tax Situs: Taxing Jurisdictions are Site Specific” describes tax situs for the Assessed Value of Commercial Aircraft Owned by Others and the Locally Assessed Value, both Operating and Non-Operating, of a Centrally Assessed Railroad and Utility Company

► Types of Taxing Jurisdictions

- 1. County Wide Taxing Jurisdictions
- 2. Municipal Taxing Jurisdictions
- 3. Special Taxing Jurisdictions
- 4. Road Taxing Jurisdictions
- 5. Township Taxing Jurisdictions

- ▶ Taxing Jurisdictions
- ▶ Taxing Jurisdictions that cross County boundaries
- ▶ School Districts
- ▶ School Districts that cross County boundaries

▶ **1. CARUC: Centrally Assessed Railroad and Utility Companies**

- 4% Penalty
 - Included in the certified Assessed Value
 - Is not a Line Item Entry
- Distributable Property [Example: A Power Plant and Land]
(RsMO 151.020.1(2)) (RsMO 153.032) (RsMO 153.034)
(RsMO 153.036)
 - {<http://www.moga.mo.gov/mostatutes/stathtml/15100000201.html>}
 - {<http://www.moga.mo.gov/mostatutes/ChaptersIndex/chaptIndex153.html>}

Distributable Property is ALWAYS Operating Property but Operating Property is NOT ALWAYS Distributable Property

- Real & Personal
- Schools
 - Average School Tax Rate
 - Distributed based on the County's September memberships of All School Districts in a County

- ▶ The 7-digit account number prefix by industry
 - (103) – Electric Companies
 - (104) – Product Pipeline Companies
 - (105) – Natural Gas Pipeline Companies
 - (106) – Railroad Companies
 - (107) – Telecommunications Companies
 - (108) – Telephone Companies

- ▶ Tax Situs
 - Available
 - “Taxing Jurisdictions by County” Spreadsheet
 - Implemented \neq Available
 - Ad Valorem Property Tax Rates levied by Taxing Jurisdictions identified as applicable to the distributable value of CARUC and CAOBA [Example: Taxing Jurisdictions such as a Community Improvement District (CID) or a Watershed District are Available, but NOT applicable and, thus, not Implemented]

- Apportionment based on Miles of Line reported by the Centrally Assessed Company on Schedule 13, County Apportionment
- Certification
 - \$/Mile Real Assessed Value & \$/Mile Personal Assessed Value

- ▶ (109) – Cable Telephony Companies (NOT 100% Voice over Internet Protocol (VoIP)) [3 Cable Telephony Companies are currently Centrally Assessed]
- ▶ Tax Situs
 - County Wide Taxing Jurisdictions ONLY
- ▶ Apportionment based on percent (%) Subscribers reported on Schedule 13CT, County Apportionment
- ▶ Certification
 - ▶ \$/County Real Assessed Value & \$/County Personal Assessed Value

- ▶ Locally Assessed Property
 - School
 - Local School Tax Rate
 - Tax Situs: Taxing Jurisdictions are Site Specific
 - Available
 - “Taxing Jurisdictions by County” Spreadsheet
 - Implemented = Available